Philadelphia Regional Port Authority

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Executive Director

September 21, 2005

Docket Clerk
Marketing Order Administration Branch
Fruit and Vegetable Programs
AMS, USDA
1400 Independence Avenue, SW
STOP 0237
Washington, DC 20250-0237

RE: Docket No. FV03-925-1PR
Federal Register Vol.70, No. 100, Page 30001
Grapes Grown in a Designated Area of Southeastern California and Imported Table Grapes; Proposed Change in Regulatory Period

COMMENTS IN OPPOSITION TO PROPOSED CHANGE IN THE BEGINNING EFFECTIVE DATE OF MARKETING ORDER 925 AND IMPORT REGULATION 4

Dear Docket Clerk:

The Philadelphia Regional Port Authority ("PRPA") hereby registers its strong opposition to the above-referenced change to proposed dates that will expand the restriction on table grape imports from Chile under Table Grape Marketing Order 925 and the companion Table Grape Import Regulation 4.

The PRPA is an independent authority of the Commonwealth of Pennsylvania charged with the responsibility of managing, promoting, marketing and developing maritime facilities located along the Delaware River in southeastern Pennsylvania. One of its major facilities is the Tioga Marine Terminal, which annually handles approximately 300,000 metric tons of imported table grapes from the Republic of Chile. This activity generates $30 million of direct income for the Philadelphia area and $5 million in state and local taxes. It is one of the major cargoes handled by the Port of Philadelphia.

We have reviewed and agree with the detailed comments and supporting data submitted by the Asociacion de Exportadores de Chile (ASOEX), also known as the Chilean Exporters Association. We view this proposal, which would effectively preclude Chile from exporting table grapes to the U.S. market for an additional twenty days, as a capricious act on the part of the private California grape growers. It clearly does not merit the support of the U.S. Department of Agriculture.

To change the beginning effective date of the marketing order from April 20 to April 1 will have a combined negative effect on American consumers, the Delaware River and Bay regional port business climate, and the U.S. economy as a whole.

While you will receive significant commentary with respect to the adverse effects of this egregious proposal on the consuming public, the focus of these comments will center on the impact this restriction will have on our regional port complex and substantive weaknesses in the proposal itself.

The Port of Philadelphia is part of the Delaware River tri-state port complex and is the fourth largest port in the U.S. Over 2,600 cargo vessels carrying approximately 120 million tons of bulk and general cargoes arrive at port facilities along the Delaware River each year. The port complex contributes over $4 billion to our regional economy, sustains over 90,000 direct, indirect and induced jobs, generates $1.5 billion in wages and salaries, and contributes over $150 million in state and local taxes.

South and Central American fruit imports are a major commodity handled at regional port facilities in Pennsylvania, New Jersey and Delaware. Among these cargoes, Chilean table grapes totaled over 41 million cases during the 2004/2005 season. One hundred and sixteen merchant vessels arrived at pier facilities where stevedoring companies paid $31.5 million in wages and fringe benefits to dockworkers that unloaded and handled these cargoes. In addition, other port businesses and service providers to include terminal operators, pilots, tug boat companies, line runners, refrigerated warehouse operators, fumigation companies, cargo inspectors and graders, and trucking companies are directly involved with this trade, generating millions of dollars in related economic activity.

In fact, the Delaware River port community has invested millions of dollars in recent years in specialized facilities, equipment and training programs required to expedite the movement of Chilean table grapes safely and efficiently to consumers throughout the U.S. As we did in 1987, the PRPA finds this proposal to curtail the volume of Chilean table grape imports detrimental to the collective capabilities and infrastructure of this important gateway to U.S. markets. It further believes that this effort is contrary to the spirit of free and open trade, which has been articulated by President Bush in numerous public statements.

The most glaring and erroneous allegation in this proposal is the suggestion that Chilean table grapes arriving in April – in the timeframe prior to when table grapes from the Coachella Valley in California are harvested in sufficient quantities to meet U.S. consumer demand – are of substandard quality and do not meet the requirements of Table Grape Marketing Order 925. As noted in the comments and supporting data submitted by ASOEX, this allegation cannot be substantiated in fact or by USDA records. If anything, the integrity of the supply change as it relates to protecting the quality of Chilean table grapes has been consistently demonstrated, from the vineyards in Chile to retail stores throughout the U.S. In actuality, in many cases, the quality control standards for wholesale and retail businesses in the U.S. are more stringent in some respects than the marketing order requires.

In our view, the case to change the marketing order date from April 20 to April 1 for the importation of Chilean table grapes into the U.S. has not been made. Therefore, the PRPA respectfully requests that this proposed rule change be denied by the USDA. We have also brought our concerns in this matter to the attention of the regional Congressional delegation.

Sincerely,

James T. McDermott, Jr.
Executive Director